



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES WATER MERGER

Jefferson City (January 3, 2003)---The Missouri Public Service Commission has approved an application filed by KMB Utility Corporation (KMB) and Cedar Hill Estates Water Company, Incorporated (Cedar Hill) which results in the merger of Cedar Hill into KMB.

Cedar Hill is currently a wholly-owned subsidiary of KMB. KMB owns and operates six water systems in Franklin and Jefferson Counties and a sewer system in Cape Girardeau County. KMB currently serves approximately 540 customers (320 water customers and 220 sewer customers). Cedar Hill owns and operates one water system serving approximately 180 customers in Jefferson County near Cedar Hill, Missouri.

On December 23, 2002, the Staff of the Missouri Public Service Commission filed a memorandum recommending the application be approved. Staff noted that customers would see little change as a result of the merger: "If the Commission grants the merger as requested in the Application, the Cedar Hill system would continue to function using the same utility operator, would be operated under Cedar Hill's existing tariff provisions, and would also be under the same ownership and management as it currently is. The only difference that Cedar Hill customers would discern is a change in the name of the entity that bills them. KMB customers would experience no changes."

The Commission approved the merger stating in its order: "The Commission finds that the merger will not be detrimental to the public interest, and will approve it."

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